

EPA Solar PV Project

Responses to Submitted RFP Questions

December 5, 2014

RFP Process

Q: Where can I find relevant information related to this project?

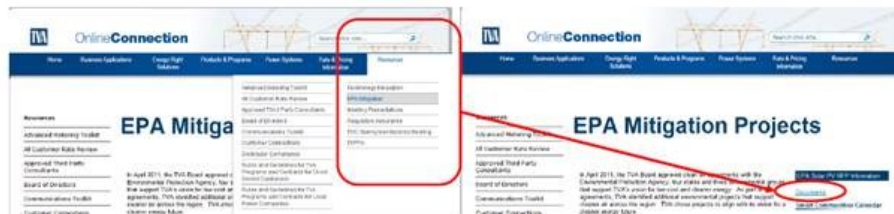
A: All relevant information related to this project is available in two locations:

1. External Website

http://www.tva.gov/environment/epa_mitigation/solar_pv.htm

2. Online Connection

Resources -> EPA Mitigation -> "Documents" on far right



Q: Can the deadline of the RFP be extended?

A: Although TVA understands that the RFP timeframe is fairly short, this is being done to enable ample time for the upfront payment to be made in TVA's 2015 fiscal year. For this reason, the RFP deadline will not be extended.

Q: Is it permissible to submit an "intent to bid" but then decline to submit a proposal once the project has been fully evaluated?

A: Yes that is permissible, however we would encourage Local Power Companies (LPCs) to submit an "intent to bid" only if they have a strong desire to follow through and participate in this project.

Q: Due to the short timeframe of the RFP, do all of the project details, such as final selection of applicable partners, need to be completed before submitting a proposal?

A: Proposals that clearly address the evaluation criteria specified and demonstrate thorough and thoughtful concept development will be viewed more favorably during the RFP scoring process. Additionally, because projects will be awarded based on the merits of their RFP proposals, awarded projects that excessively deviate from the original RFP proposals may be dropped from further consideration.

Q: How many alternate proposals may one Offeror submit?

A: The alternate proposal is intended to provide a mechanism for offerors to propose alternative solutions that deviate from but are related to the original RFP request. Alternate proposals should only be submitted in addition to the submission of a standard proposal. The standard proposal and any additional alternative proposals should each present the most favorable terms according to the specified structure presented. Similar proposals with only slight variances, such as in total system size or cost sharing percentages should not be submitted. Therefore, the number of proposals submitted by each offeror will depend upon the number of unique proposals the offeror can provide that have meaningful variance from one another yet remain related to the original RFP request.

Q: Should an alternate proposal be a complete additional proposal following the format described on Page 7, 5.2, or should an alternate just be a supplement to the proposal that details the substantial differences between the original and the alternate?

A: All alternate proposals should follow the same reporting format as specified in the RFP solicitation and should be clearly marked as an alternate proposal. Each alternate proposal will be viewed as an independent and unrelated proposal, not as a supplement to the original proposal. By requiring that all proposals adhere to a consistent reporting format, TVA is more effectively able to independently compare all proposals according to the same evaluation criteria.

Operational Parameters

Q: Is each LPC required to propose a minimum of 500 kW or does there have to be a minimum of 500 kW proposed in total for TVA to proceed?

A: The minimum solar PV nameplate DC capacity being proposed by each LPC should be 500 kilowatts. However, the targeted total capacity for this project is several megawatts. The total capacity may be implemented at one or multiple LPC sites and may be divided amongst multiple LPC awardees. Bids proposing the greatest amounts of total system capacity relative to the requested amount of TVA's total up-front payment will be viewed more favorably.

Q: Does TVA have a preference for single site vs. multiple sites? Does TVA prefer to fund multiple smaller projects or just a few larger projects?

A: TVA will consider all options as long as the combined total submitted by each LPC is 500 kW of nameplate DC capacity. However, simplicity is preferred and the economics may be worse for multiple sites which could affect the total project value.

Financial Parameters

Q: What is the approximate acceptable percentage of the upfront project cost that TVA is expecting to provide to a project using the \$2,000,000 it has available?

A: TVA does not have an approximate acceptable percentage to avoid being overly prescriptive. However, TVA is targeting a total of several megawatts, which provides some indication as to what percentage the \$2,000,000 may cover. Additionally, LPC proposals will be compared to one another to determine the best overall project value.

Q: For the purpose of conducting a cost analysis, can TVA supply an attachment to the community solar project RFP listing anticipated purchase prices for the energy generated by the solar arrays or provide a link to a current pricing schedule that closely aligns with the future purchase prices?

A: The 2015 prices for the Renewable Standard Offer (RSO) will be applicable for the solar PV project. Those prices can be found at the following link: <http://www.tva.gov/renewablestandardoffer/pricing.htm>.

Q: The RFP states that the payment for generated energy will be compensated under the Renewable Standards Offer. In the current RSO contract (.pdf) listed on the current TVA RSO website pages, Section 4.6(ii) states the following in regards to Base Prices and Contract Prices:

(ii) The Contract Price for any given seasonal time of day equals the Base Price for that seasonal time of day escalated at a rate of five percent (5%) per year starting in 2015 plus any applicable Solar Solutions Initiative price adder indicated on the Cover Sheet.

For this project, will TVA add a SSI price adder to the energy payments for the energy generated? If so, can TVA state the price adder at this time or give guidance as to what it will be?

A: The Solar Solutions Initiative adder on top of the RSO pricing is not applicable for the solar PV RFP solicitation, due to the additional upfront payment being provided and due to the possibility that projects over 1 MW in size are being encouraged.

Q: Is TVA's upfront payment a grant or will it be a loan to the project?

A: The upfront payment is not a loan which needs to be repaid back to TVA. The combination of the upfront payment along with the on-going energy payment is what TVA is willing to pay in exchange for the solar PV energy production from a LPC-driven community solar project. Proposal being submitted by various LPCs will likely specify different sizes of PV systems and corresponding levels of requested funding. Therefore, submitted proposal which provide the greatest amount of energy for the dollars spent will be viewed more favorably than others.

Business Model Parameters

Q: If RECs are allocated to TVA, what compensation will TVA provide to the LPC?

A: Decisions regarding REC allocation and business model implementation will be up to each LPC to determine. The allocation of RECs, whether retained by TVA or not, will not impact TVA's upfront or on-going energy payment. However, the LPCs may realize greater financial return by deciding to directly allocate RECs to their customers.

Q: Is there a potential to “flip” our participants in green power switch into this program, and if so, can they cancel Green Power Switch (GPS) at any time or is there some term/contract?

A: Decisions regarding GPS participation in combination with the EPA solar PV project are up to the local power company. However, thoughtful consideration should be given to the current number of customers subscribing to the GPS program and the potential receptivity for all GPS customers to be switched to the community solar project. GPS customers may cancel at any time at no charge by contacting their LPC.

Q: Could voluntary contributions made by the community be considered tax deductible?

A: TVA cannot comment on this tax related question, considering that the answer will likely depend on the specific tax obligations of each individual LPC. If legal counsel is sought by the LPCs and this is deemed a viable option, it may be a favorable approach to consider as it will provide greater value to the community partners.

Q: Can you further explain the annual REC purchase option (community solar component #2)?

A: Currently, end-use customers purchase RECs from TVA through the GPS program. The community solar project allows the LPCs to directly provide RECs to their customers from a local solar facility. This regional and more tangible connection to the RECs could result in an important value to the end-use customer and provide the LPCs with an additional project cost recovery mechanism.

Q: What if an LPC is awarded a project, constructs the PV system, but cannot achieve the desired amount of community investors? Can the LPC opt out?

A: Once the award has been made and contractual agreements are established, the LPCs will be responsible for generating the agreed upon level of capacity and associated energy production. The LPCs ability to recoup project costs from the community will be the responsibility of the LPCs selected.

Project Team & Partnerships

Q: What type of entities may respond to the RFP? Are LPCs the only entities eligible to respond or can other types of entities (for profit, non-profit, public sector) that are in partnership with one or more LPCs be the Offeror?

A: The solicitation is only open to LPCs; therefore the proposal must be submitted by the LPC. LPCs may partner with whomever they deem necessary to complete the project, but the award will only be made to the LPC.

Q: Should we already have community partners in place when we submit our response, or should we wait and issue an RFP for partners if we are awarded?

A: LPCs should sort out as many details as possible before submitting their proposal to provide an accurate representation of their community solar project. Community partnerships do not have to be firmly established by the LPC in advance of submitting an RFP proposal, however any relevant data which aids TVA in making a LPC selection should be sought out by LPCs from potential community partners.

Q: Could the proposal be constructed to have a third party or governmental entity be responsible for the maintenance?

A: Yes, independent parties, besides the LPC, may be responsible for the maintenance of the solar PV system. However, the responsibility for maintaining the system will be contractually agreed upon between the LPCs and TVA. Therefore, the LPCs are responsible for establishing any necessary contractual arrangements with 3rd parties to ensure that the contract will be upheld with TVA. Additionally, LPCs should consider the overall cost effectiveness of the project and the corresponding number of 3rd party entities they would like to involve.

Q: We received some info from a 3rd party proposing to manage an offering. Does TVA have a list of companies that have performed similar services in the past?

A: TVA does not maintain a list of potential 3rd party vendors. We do recommend using solar installers that have obtained NABCEP certification. These solar installers can be searched by geographic location at the following website: <http://www.nabcep.org/certified-installer-locator>.

TVA is also aware of 3rd party vendors that specifically specialize in turn-key community solar energy offerings, which may appeal to LPCs that prefer greater ease of implementation. All vendors should be individually sought out by the LPCs.

Technology Options

Q: Can we include any other technologies, such as energy storage?

A: Other technologies, such as energy storage, may be included as part of the RFP proposal if they in some way enhance the community solar project proposal. However, proposals which provide the greatest amount of energy for the dollars spent will be viewed more favorably than others. Therefore, proposals which include energy storage options may find it more difficult to be cost-competitive when compared to other energy-only options.

Q: Do you intend to use trackers?

A: As part of the solar PV RFP, TVA has not identified a specific type of PV technology or mounting configuration. However, TVA is in favor of pursuing mature technologies that are established and have a proven track record. Additionally, the financial and energy value of various PV options over the twenty year contract term will be evaluated.
